

Chapter One Study Questions: The Nature of Marketing

1. Discuss the development of marketing. What are the critical ways in which marketing has changed over the years?

Students should be able to demonstrate that the origins of contemporary marketing strategy can be traced to the Industrial Revolution where advances in production and distribution, and the migration of rural masses to urban areas created the potential for large-scale markets. As a result, marketing activities such as advertising media and distribution channels began to grow and develop. Marketing as a field of study began in the early part of the twentieth century, growing out of courses that examined issues relating to distribution. The key aspect in answering this question is the ability to demonstrate knowledge and understanding of the three main orientations (production, sales and market) which characterize the development of marketing.

The major differences between production orientation and market orientation as outlined in Figure 1.3 and in the table (below) should be discussed. These three orientations are presented in Figure 1.3 as being chronological, with the production orientation (1930s approx.), followed by the sales orientation and then the customer orientation. However, students should be clear that in the world of business practice, all three orientations are still commonplace. Finally, students would be expected to add that business and marketing practice has further evolved and that there are six orientations: production, product, sales, marketing, social and societal.

Market-orientated businesses	Internally orientated businesses
Customer concern throughout business	Convenience comes first
Know customer choice criteria and match with marketing mix	Assume price and product performance key to most sales
Segment by customer differences	Segment by product
Invest in market research (MR) and track market changes	Rely on anecdotes and received wisdom
Welcome change	Cherish status quo
Try to understand competition	Ignore competition
Marketing spend regarded as an investment	Marketing spend regarded as a luxury
Innovation rewarded	Innovation punished
Search for latent markets	Stick with the same
Be fast	Why rush?
Strive for competitive advantage	Happy to be me-too

2. Identify two examples of organizations you consider provide customer value and describe how they do it.

The answer to this question will also be dependent on the organizations chosen. The question provides an opportunity for students to relate the theory on customer value to their real-life experiences. Customer value is often expressed in terms of the definition below and it is important to note that it is customers and not organizations who define what represents value:

Customer value = perceived benefits – perceived sacrifice

Perceived benefits can be derived from the product, the associated service and the image of the company. Perceived sacrifice is the total cost associated with buying the product. This consists not just of monetary costs, but also the time and energy involved in the purchase.

Furthermore, students are expected to identify and apply forms of customer value that include the following: price value (examples may include Ryanair, Aldi/Lidl), performance value (e.g. Dyson and VW IQ3), emotional value (Coca Cola, Cadburys) and relational value (innocent fetes and festivals, Walkers 'Do Us a Flavour').

3. Select one influencer or celebrity that you follow online. Describe how they have used marketing to build their brand.

Students are encouraged to select one influencer/celebrity that they follow online and describe how they have used marketing to build their brand and brands they perhaps endorse as well.

Students would be expected to discuss the notion that marketing starts with the customer and takes an outward-in approach. Businesses and the marketing functional have evolved into a stronger marketing (customer focused and customer driven), social and societal orientation.

The nature of customer value/dual value and reciprocity is also important especially in digital and online marketing and user-generated content. Other forms of value such as emotional value can be communicated through marketing campaigns as well.

Finally, the customer view or perspective of marketing assumes that customers are not just the recipients of the value created by organizations but, in many instances, co-create that value through activities such as reviewing products and services, producing user-generated content and working with companies to generate new product ideas and improve services.

4. Marketing is central to how we live our lives. Discuss.

The purpose of this question is to get students to appreciate the broad application of marketing. The application of marketing is best known and accepted in commercial contexts, however, its scope is much broader. Marketing is evident in almost every organization today and often plays a central role in their success.

In answering this question, students should discuss the role of marketing in business and non-business contexts using examples of organizations they are familiar with to support their answers. The appropriateness of marketing in non-business contexts as well as its implications regarding the scope of marketing are based on how the concept is defined. Students are encouraged to consider the positive and negative aspects in terms of the role of marketing and how marketing orientations have evolved over time. Finally, the students may also consider the role of the customer in adding value to marketing and the generation of user-generated content.

Students' answers will vary. However, students should address the points mentioned above.

5. Rather than assisting in the creation of value, marketing is responsible for many of society's ills. Discuss.

Marketing can be considered from different perspectives. On one hand, many innovations and developments which have benefited the lives of millions of individuals have come about due to the efforts of marketing. From the wind-up radio, which allows people in the remotest parts of Africa to stay in touch with what is happening in the wider world, to free phone calls via the Internet, which allow people to make calls and stay in touch with friends and relatives around the world, marketing can be said to be having a positive influence. Furthermore, more individual solutions are being developed and more specialist product ranges are devised as marketers become more and more adept at meeting the needs of their target customers (www.cim.co.uk/).

On the other hand, marketing is criticised for encouraging consumers to buy products they do not need, packaged in boxes they do not want, which use up valuable resources. The result is bad for the individual, who can build up debts he or she cannot settle, and bad for the environment, which is running out of certain natural resources. Consumer credit levels have been rising significantly in recent years and as a result marketing has been cited as a major influence in the rise of materialism in society. Both psychologists and sociologists argue that the rise in consumerism has done little to make individuals feel happier about themselves, and marketers are increasingly accused of targeting vulnerable groups like children to ensure they become committed to particular brands from a very early age.

There is no right answer but perhaps the core issue lies in the key components of the definition of marketing: value and profit. If an organization genuinely provides customers with good value, it is possible that both the individual and society might benefit, but if the created value is illusory, then the benefits are likely to be negligible.

The purpose of this question is to encourage students to think critically about the impact of marketing and not just to accept it as a guiding mantra, which can solve all business ills and ensure success.

Visit the Chartered Institute of Marketing content hub <https://www.cim.co.uk>, Select any story currently featuring **(MISSING TERM) key concepts of marketing (perhaps)** that interests you and summarize the three key learning points from the article. The Chartered Institute of Marketing defines marketing as:

Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably.
(CIM's official definition.)

(<http://www.cim.co.uk/KnowledgeHub/MarketingGlossary/GlossaryHome.aspx>).

One of the main sources on CIM webpage for content is the Exchange section:
[Exchange - marketing and digital content hub | CIM](#)

There is editorial content on key brands and marketing practice, quick read content, podcasts, blogs and webinars. There is content based on brand longevity, influencers, marketing leadership, social media engagement, sustainable transformation and the challenges facing digital marketers today. This content provides lecturers and students alike with access to topical and thought-provoking content, insightful articles, debates and

themes from sustainability to marketing leadership.

Students are encouraged to select any story and re-visit chapter one and identify and select some of the key concepts of marketing that are included in the content. For example, students may identify the marketing orientation of a company/brand, they may identify the value(s) of the product/service/brand and students will be aware of and may comment on the constant evolving nature of marketing as well as the role of technology in marketing. Finally, the social and sustainable issues in business and marketing strategy may also feature in the students' discussion and students might be encouraged to debate issues in class/tutorial work.